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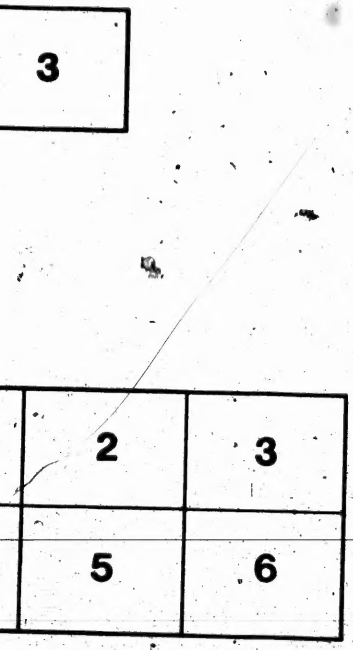

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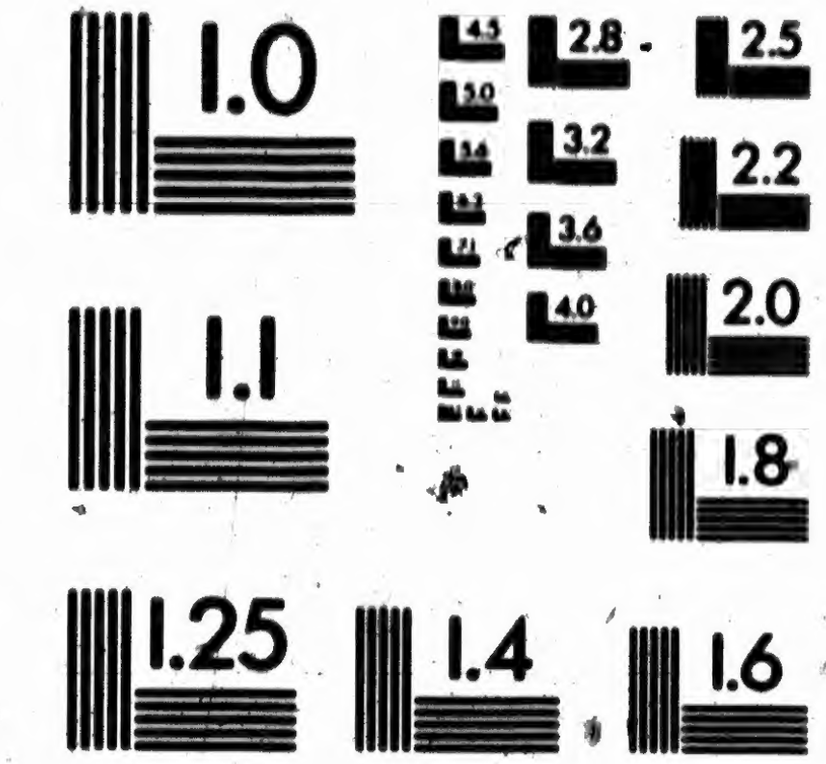

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CORRESPONDENCE

IN RELATION TO A

RAILROAD

IN

PRINCE EDWARD ISLAND.

Published by Authority.

CHARLOTTETOWN:

PRINTED BY JOHN INGS, QUEEN'S PRINTER.

RAILWAY CORRESPONDENCE.

CORRESPONDENCE between the Government of Prince Edward Island and Messrs. T. & C. Walker, W. D. O'Brien, H. D. McLeod & Co., J. H. Fraser & Co., Wm. Rainnie & Co., and Collingwood Shreiber, on the subject of the acceptance of their tenders to build a Railroad through Prince Edward Island.

On the 23d day of May, 1871, the Government issued a "Notice to Contractors," calling for "Tenders for the construction and equipment of a Railway of 3 feet 6 inches gauge, from Cascumpec to Georgetown." The limit named for the receipt of Tenders was the 19th of July.

On the 25th day of July, the Council met and opened twenty-three Tenders, of which twenty were for the whole line, two for the line from Summerside to Alberton, and one for that from Charlottetown to Summerside.

The names of the parties tendering, with their address, and the amounts of their Tenders, are as follow:

No.	NAME AND ADDRESS.	AMOUNT STG.	AMOUNT CY.
1	T. & C. Walker, London, G.B.	£2690	£4035
2	W. D. O'Brien, Halifax, N.S.	2770	4155
3	H. D. McLeod & Co., St. John, N.B.	2800	4200
4	J. H. Fraser & Co., New Glasgow, N. S.	2820	4230
5	Wm. Rainnie & Co., St. John, N.B.	2830	4245
6	Collingwood Shreiber do.	2845	4267 10
7	J. S. Carvell & Co., Charlottetown, P.E.I.	2900	4350
8	E. R. Burpee, St. John,	2909	4406 10
9	H. G. Ketchum, St. John, N.B. (with conditions.)	3111	4666 10
10	E. L. Brady, Jersey City,	$16,425	4722
11	A. L. Light, Newcastle, N.B.	£3205	4822 10
12	Brook, Ryan & Co., Brockville, Ont.	3230	4845
13	Wm. Stewart & Co., New Glasgow, (with conditions.)	3235	4852 10
14	E. A. Jones & Co., Halifax, N.S.,	3250	4875
15	Richard Hunt, & Co., Summerside,	3250	4875
16	Jerome B. Huebert, Quebec. (with conditions.)		4980
17	Francis Giles, London, G. B., (with conditions.)	3330	4995
18	Duncan McDonald, Montreal,		5000
19	Alex. McNab & Co., Halifax,	3910	5860
20	Jas. Livesy & Co., London, G. B. (with conditions.)	4424	6636

SUMMERSIDE TO ALBERTON.

1	J. H. Fraser & Co., New Glasgow,	2770	4150
2	Alex. Manning & Amos A. Wright, Montreal.	2994	4491

CHARLOTTETOWN TO SUMMERSIDE.

1	Capt. John McDonald, Ch'town,		4700

The Government accepted the tender of Messrs. T. & C. Walker, for the sum of £2690 stg. per mile, subject to the following conditions relative to security for the due performance of the work, and the performance thereof within a certain time, viz: That the contractor before signing the contract should deposit in a Bank, approved of, to the credit of the Government, cash consols, or the bonds of the Dominion of Canada, or of Nova Scotia, or New Brunswick, representing the sum of £100,000 cy. That the said sum should, in the event of any breach of the contract, be considered as liquidated and ascertained damages, and not in the nature of a penalty, and might be applied by the Commissioners towards the construction and completion of the road. The interest and divi-

dends on the deposit to be payable to the order of the depositor. This condition was to be insisted upon with every contractor.

Messrs. Walker's Attorney, B. Lester Peters, Esq., of St. John, N.B., was at once notified of the acceptance of their tender; he arrived in Charlottetown on Monday evening, the 31st July, and had several interviews with the Government, the result of which was the withdrawal of their tender to build the road, Messrs. Walker desiring the immediate issue of the whole amount of debentures, to secure their realizing "par," which the Government, under the provisions of the Law, had no power to do.

Mr. Peters' letter withdrawing from the contract is as follows:—

Charlottetown, 7th August, 1871.

Sir,—

Messrs. T. & C. Walker tendered for the construction of the Prince Edward Island Railway at the low rate of £2690 stg. per mile, in the expectation of being enabled, by the immediate placing of the debentures to secure their realizing "par," without being subject to the chance of fluctuation in the money market during the time of the progress of the works.

Subsequently to the filing of Messrs. Walker's tender, and after notice of the provisional acceptance thereof, I received as attorney for Messrs. Walker information from them, by letter, that in the ordinary course of mail should have reached me before filing tender, that their calculation was based on the supposition that the debenture payment for the work would be made equal to cash, either by the placing of the issue in the hands of agents of the Government, to direct the sale under arrangement that would protect and sustain the Colonial credit and interests, or that the issue of debentures would be in sums sufficiently large to command the attention of capitalists; and in the event of arrangement not being made as proposed for securing the "par" value of the debentures, I was instructed that the sum per mile for which they would do the work must be increased.

The Colonial Government, on consideration of the proposal for securing them against charges between the date of placing the debentures and the time when the payments would respectively accrue due to the contractors, having arrived at the conclusion that the Act of the Legislature does not admit of the issue of the debentures except in payment to the contractors from time to time as the work proceeds, and having under this construction of the law refused to issue the Debentures in any other manner than as they become payable to the contractors from time to time during the progress of the works,—I am instructed by Messrs. T. & C. Walker to state that they cannot undertake the contract at the rate per mile mentioned in their tender of the19th July last; and further, that if they are permitted to add to their price named a sufficient sum (say one-fifth per mile), to cover the loss that the issue of the debentures in the manner last mentioned would probably cause, they will enter into contract and proceed with the work without delay.

I have, &c.,

B. Lester Peters,
Attorney for T. & C. Walker.

The Honorable the Colonial Secretary,
Charlottetown.

Messrs. Walker having withdrawn from the contract, on Wednesday, the 9th August, William D. O'Brien, Esq., of Halifax, making the next lowest tender, was telegraphed to, as follows:—

Charlottetown, P. E I., Aug. 9, 1871.

By Telegraph to
Mr. William D. O'Brien, Halifax, N.S.

The tender of Messrs. Walker for construction of railroad having been withdrawn, yours being next lowest, will be accepted, provided terms and conditions contract and requirements of law be complied with, without delay.

T. Heath Haviland,
Colonial Secretary.

On Friday evening, the 11th, Mr. O'Brien arrived in Charlottetown, and on the 12th had an interview

with the Government, when he stated that he was not prepared to furnish any such security as was required for the performance of the contract. He would, however, give a transfer of the Halifax City Railroad as a security for $250,000, and the balance of the sum required in bonds paying six per cent. interest. On the Railway Mr. O'Brien stated there was a mortgage (or bonds) for the sum of $50,000, which, however, he promised to have removed. His letter offering security is as follows:

Charlottetown, Prince Edward Island,
August 12, 1871.

To the Hon. the Colonial Secretary:

SIR,—

On ascertaining the wishes of your Government relative to the security for the railroad contract, I now beg to state that I will lodge in any Bank at Halifax, say two hundred and fifty thousand dollars stock of the Halifax City Railroad Company, and the balance of the sum required in bonds, which have regularly paid and are paying six per cent. interest.

I have, &c.,
WILLIAM D. O'BRIEN.

On Monday, the 14th, the Government agreed to rescind the order of the 25th July as to the nature of the security, and the following communication was sent to Mr. O'Brien:—

Colonial Secretary's Office,
Charlottetown, Aug. 14, 1871.

SIR,—

In reply to your communication of the 12th August, instant, I am authorized to inform you that the Government are prepared to accept a transfer of the whole of the Stock of the Halifax City Railroad Company, unencumbered, for £60,000, and approved personal security for £40,000, as a security for the due performance of the contract for the construction of a Railroad from Alberton to Georgetown, under the provisions of the Act to authorize the construction of a Railroad through Prince Edward Island.

I have, &c.,
T. HEATH HAVILAND,
Colonial Secretary.

William D. O'Brien, Esq., &c. &c.

The same day the President of the Executive Council wrote to Mr. O'Brien, requesting him to name a time when he would be able to perfect the security and commence operations.

Charlottetown,
14th August, 1871.

Dear Sir,—

You doubtless have received a letter from the Colonial Secretary relative to the nature of the security which will be taken from you for the construction of the railroad on your signing the contract. The season is passing rapidly, and the Government is most anxious that the contract should be signed, and the work proceeded with with as little delay as possible. It is therefore desirable that you should name a time when you will be prepared to perfect the security, sign the contract, and commence the work.

Yours, &c.,

JAS. C. POPE.

W. D. O'Brien, Esq.

On Tuesday morning, the 15th, Mr. O'Brien left for Halifax, and on Wednesday, the 16th, the following telegram, in answer to Mr. Pope's letter of the 14th, was received from Mr. O'Brien:

By Telegraph from Halifax,
to Hon. J.C Pope.

August 16, 1871.

Am arranging securities—expect to be ready in a week.

W. D. O'BRIEN.

The week which Mr. O'Brien required would expire on Wednesday the 23d, so on Tuesday, the 22d the following telegram was sent to Mr. O'Brien:

Charlottetown, Aug. 22, 1871.

To William D. O'Brien, Halifax.

The Government expect you by to-morrow's steamer.

T. H. HAVILAND.

Mr. O'Brien did not arrive by the steamer of the 23d; but on Thursday, the 24th, the following was received from Mr. O'Brien:

By Telegraph from Halifax,
To Hon. T. H. Haviland, Col. Sec'y.

August 24, 1871.

Was absent; am delayed by absence of city Railroad bond holders.

W. D. O'Brien.

The same day Mr. O'Brien was notified as follows:

Charlottetown, Aug. 24, 1871.

By Telegraph to William D. O'Brien, Esq., Halifax.

Unless you are here on Saturday next prepared to give the required security, and sign contract, party making next highest offer will be written to.

T. Heath Haviland,
Colonial Secretary.

[Answer by Telegraph.]

On Friday, August 25, Mr. O'Brien telegraphed to Hon. A. A. McDonald.

August 25, 1871.

By Telegraph from Halifax,
To Hon. A. A. McDonald.

I only want time till Wednesday next, pray obtain it for me.

W. D. O'Brien.

To which the following answer was sent the same evening (Friday) at 5.30:

Council will accede to your request, and extend time till Wednesday, but no longer. Securities must be perfected then.

A. A. McDonald.

On Saturday, the 26th August, the Colonial Secretary left for Halifax on *private business*, where he remained until Friday evening, the 8th September. During his absence his name as Colonial Secretary was signed to all telegrams connected with the Railroad, and answers thereto were received directed to him.

On Monday morning, the 28th, Mr. Haviland received a communication from Mr. O'Brien, which is as follows:

City Railroad Office,
Monday morning, Aug. 27, 1871.

Hon. Heath Haviland,

Sir,—

Having called to pay my respects in your absence, I beg to state that I am now prepared to complete the railroad contract, and await your further orders.

Owing to absence of parties holding City Railroad Bonds, I have procured Moir & Co. as securities for that incumberance, $50,000, which with $250,000, the whole stock, will, I trust, be satisfactory for the first part. For the personal, I offer David Starr & Sons, and T. A. DeWolf & Son, and if necessary can find others. I beg to refer you to Sir E. Kenny for the solvency of the parties.

Having heard that an unfavorable rumor has reached the Island about the City Railroad, may I request your personal supervision of its books at your earliest convenience.

I have, &c.,
WILLIAM D. O'BRIEN.

On Tuesday morning Mr. Haviland replied to Mr. O'Brien, as follows:

Tuesday morning, Aug. 29, 1871.

William D. O'Brien, Esq.,

DEAR SIR,—

In reply to your note of yesterday, I beg to inform you that I am of opinion that the Government, of which I am a member, will not consider the securities named in your note a sufficient guarantee for the due performance of the contemplated Railway contract.

I am, &c.,
T. HEATH HAVILAND.

The same day, Mr. O'Brien again addressed Mr. Haviland:

Halifax, Aug. 29, 1871.

Hon. T. Heath Haviland,
Colonial Secretary, P. E. I.

Sir,—

I have had the honor of receiving your note of this morning, in which you state as your opinion that

"the Government, of which I am a member, will not consider the securities named in your note a sufficient guarantee for the due performance of the contemplated Railway Contract."

Will you, sir, have the goodness to inform me as early to-day as possible, what portion of my securities are insufficient, and to what extent, in order that I may furnish additional sureties.

I have no fear but that I can, if allowed reasonab'e time, furnish security in strict accordance with the letter, if not the fullest spirit, of the terms named to me. The urgency with which I have been required to complete those sureties, has, under the circumstances, tended to paralize my ability, by confining my attention solely to Halifax.

There are three years allowed for the completion of this contract, and I will not only undertake to complete it in two years, but to allow every day to count in as part of that period which has elapsed since its award to me.

I have, &c.,

WILLIAM D. O'BRIEN.

Mr. Haviland replied to the foregoing on Tuesday; the answer, however, did not reach Mr. O'Brien, who left on Wednesday morning early for the Island.

Halifax Hotel, Tuesday afternoon,
29th August, 1871.

William D. O'Brien, Esq.,

Dear Sir,—

I have only now received your note of to-day's date, as I was absent at the boat race when it reached the hotel, and in reply thereto have to state that I consider all the parties you named in your note of yesterday to be all firms and men of too small a capital to be satisfactory and sufficient securities for so large a contract. I have no power to extend the time mentioned in Mr. McDonald's telegram of Friday last.

Yours, &c.,

T. HEATH HAVILAND.

The same day [Tuesday] while Mr. O'Brien was corresponding with Mr. Haviland, he telegraphed as follows, to Hon. A. A. McDonald:

By Telegraph from Halifax,
to Hon. A. A. McDonald.

Aug. 29, 1871.

My securities ready—communicating with Mr. Haviland—do you require me to-morrow? Please appoint an agent here.

WM. D. O'BRIEN.

Answer by Tel.

The above was received at 5.30 on Tuesday afternoon, the 29th, and at 6 o'clock was answered thus:

Members of Government out of town to-day, would advise you come to-morrow—see Haviland.

A. A. McDONALD.

Mr. O'Brien arrived again in Charlottetown on the evening of Wednesday, the 30th August, and on Thursday, the 31st, had an interview with members of the Government. Mr. O'Brien had not obtained a discharge of the mortgage on the Street Railway, but in lieu thereof offered a bond of Moir & Co., of Halifax. For the personal security he offered the names of T. A. DeWolf & Co., and David Starr & Sons. The Government declined to accept these names as security.

The following is from Mr. O'Brien to the President of the Executive Council:

Charlottetown, 31st August, 1871.

Honble. James C. Pope,

Sir;—

On Monday last, the 28th current, I addressed a note to the Honble. the Colonial Secretary, then in Halifax, informing him that owing to absence of parties holding some of the bonds of the City Railroad, I was unable to obtain them immediately, and in lieu thereof would give a bond for $50,000 from the firm of Moir & Co., of Halifax, with an assignment and transfer of the entire stock of the road, $250,000, as the full equivalent of the first portion of the security required.

For the personal security I tendered the firms of T. A. DeWolfe & Son., and David Starr & Sons, also of Halifax. On the morning subsequent I received a reply from the Hon'ble. Secretary, intimating as his

opinion that the securities offered would not be acceptable. I wrote immediately requesting to be informed in what particular, and for what amount the securities were deemed insufficient, in order that I should make good the deficiency, and have since received no answer.

I now await the instructions of the Executive as to what further is required of me. I beg leave to add that, with reasonable time allowed, I can conform to the letter of the Government requirements, and hereby consent that every day's delay since the award of the contract shall be deducted from my time for its completion.

Yours, &c.,
WILLIAM D. O'BRIEN.

The foregoing communication was laid before the Government, and the Honorable Frederick Brecken replied to it in the following, which was delivered about 2, p.m., on the 31st, the same date as that of Mr. O'Brien's communication.

EXECUTIVE COUNCIL,
Prince Edward Island,
August 31st, 1871.

SIR,—

In reply to your communication of this day's date, addressed to the Honorable J C. Pope, setting forth the nature of the security you proposed to offer for the performance of the Contract to construct a Railroad throughout this Island.

I have to state that the Government are not prepared to depart from the proposition contained in the Colonial Secretary's Letter of the 14th inst., wherein he states that the Halifax City Railroad must be unencumbered, and that they cannot accept Moir and Co. as an indemnity against the mortgage at present a charge on the said Railroad.

With respect to the security offered by you for the balance, viz. £40,000, the Government do not consider it sufficient.

I beg leave to inform you that at the last meeting of Council it was agreed that the time be extended to Wednesday, the 30th, but no longer—this was done at your request, to enable you to complete your securities. I am requested to state that the Government are not disposed to grant any further extension of time.

I have, &c.,
FREDERICK BRECKEN.

William D. O'Brien, Esq.

In the foregoing Mr. O'Brien having been informed that the Government would not accept the security offered by him, and that they were "not disposed to grant any further extension of time," a Telegram was at once forwarded to H. D. McLeod & Co., St. John, N. B., the parties making the next lowest tender :

Charlottetown, August 31st, 1871.

H. D. McLeod & Co., St. John, N. B.

Walker and O'Brien have failed to enter into contract for construction of Railroad. Your tender comes next. Are you prepared to give satisfactory security without delay, and sign contract.

T. HEATH HAVILAND, Colonial Secretary.

(Answer by Telegraph.)

In reply to the above, the following Telegram was received on Saturday, the 2nd September :

By Telegraph from St. John
To T. H. Haviland, Colonial Secretary.

September 1st, 1871.

Your Telegram received last night ; will reply definitely to-morrow or Monday.

H. D. McLEOD & Co.

The following Letter was received by the Attorney General, late on Saturday night, the 2nd September :

Charlottetown, September 2nd, 1871.

SIR,—

In reference to your communication of the 31st ult., I beg to state that I have now made arrangements to deposit fifty thousand dollars in a Bank at Halifax, to be held as security to your Government until I shall be able to obtain a release of the Bonds and Mortgage existing for that amount against the Halifax City Railroad.

Also, that if you will please to indicate what amount you consider the personal securities named in my letter of the 31st ult. satisfactory for, I am in the position to furnish the balance from residents of this town, or the entire, if necessary.

When I offered my sureties on the 28th ult., and requested action relative thereto by the Honorable the Colonial Secretary, I could have arranged by last Wednesday, as indicated, if explanation had been vouchsafed me.

I therefore respectfully claim that I have not been derelict in my duty or wasteful of the public time.

I have,

WILLIAM D. O'BRIEN.

Honorable Frederick Brecken,
Attorney General, Prince Edward Island.

The above was laid before members of the Government, on Monday, the 4th September, and about 2.30 p. m. on the same day, the following answer was sent to Mr O'Brien :

Charlottetown, 4th September, 1871.

SIR,—

I have to acknowledge the receipt of your communication of date the 2nd inst., in which you state that you have now made arrangements to deposit $50,000 in a Bank in Halifax, to be held as a security to our Government until you shall be able to obtain a release of the Bonds and Mortgage existing for that amount against the Halifax City Railroad; also, that if I will indicate what amount I consider the personal securities named in your letter of the 31st ult. satisfactory for, you are in a position to furnish the balance from residents of this Town, or, if necessary, the entire security.

On the 9th day of August you were notified that your tender for the construction of a Railroad from Alberton to Georgetown would be accepted. On the 11th August you arrived here. On the 12th you had an interview with the Government, at which time you stated that you were not prepared to furnish any such security as was desired by the Government for the performance of the contract. On the 14th the Government agreed to rescind an order made by them as to the nature of the security they had previously determined to demand, and to meet your wishes to accept from you a transfer of the Halifax City Railroad, *unencumbered*, to be taken as a security for the amount of £60,000 currency, and unexceptionable personal security for the balance, viz: £40,000. This you promised to do, and when asked what time you would require to complete the arrangement, replied that you would be ready in about a week; at the end of this time you were telegraphed to that unless you would be prepared on the following Saturday to give the security and sign the contract, that the persons making the next lowest tender would be called upon. Notwithstanding which, at your earnest request, the time was further extended to Wednesday, the 29th of August, when you announced yourself ready. On the 30th you met members of the Government, when it appeared that you were not even then in a position to give the promised security. The Street Railway was still mortgaged,

and for the balance of the £40,000 you gave the names of T. A. DeWolfe & Company, and David Starr & Sons, which the Government did not deem satisfactory. You were notified accordingly, and a Telegram was then forwarded to H. D. McLeod & Co., St. John, calling upon them, as their tender was the next lowest, to give the required security and sign the contract.

Under these circumstances you will see that the Government is not now in a position to re-open negotiations with you.

I am, however, authorized to say that in the event of Messrs. McLeod & Co. failing to enter into the contract your offer will be accepted, provided the Government are then in possession of the names of first-class personal securities, such, for instance, as Sir Edward Kenny, C. Murdock, Kinnear & Company, William Stairs, Son & Morrow, Duffus & Company, of Halifax, or Hon. D. Brenan, Peake, Bros. & Co , and Owen Connolly, Esquire, of this town, with an expression from them in writing of their willingness to enter into Bonds to the extent of £100,000, Island currency, for the faithful performance of the contract; but that this Government will have nothing to do with accepting as a security, under any circumstances, a mortgaged Street Railway, in Halifax, nor will they delay their negotiations with others, until furnished with the names of first-class-men such as those whose names I have mentioned, with their assent in writing.

I have, &c.,

FREDERICK BRECKEN,
Attorney General.

Since writing the above we have received a Telegram from H. D. McLeod & Co., declining to enter into the con-contract. We are therefore in a position to treat with you on the terms above mentioned.

F. BRECKEN.

Below is the Telegram referred to from H. D. McLeod & Co. declining contract, received in the forenoon of the 4th September:

September 2nd, 1871.

By Telegraph from St. John
To Hon. T. H. Haviland, Col. Secretary.

Referring to Telegram of yesterday we beg leave to decline contract.

H. D. McLEOD & Co.

After receiving McLeod & Co's. Telegram, declining the contract on Monday forenoon, and acquainting Mr. O'Brien that they were still open to treat with him on the conditions

mentioned in the Attorney General's Letter, wherein they also warned him that they would not delay their negotiations with others until furnished with the names of first-class men, such as those whose names Mr. Brecken mentioned, the Government took no further action by commencing negotiation with any party until the next morning (Tuesday.) This gave Mr. O'Brien another opportunity to look for satisfactory security, but he left Charlottetown, on Tuesday morning, the 5th September, for Halifax, without making any further communication, either verbally or in writing to the Government, or any member of the Government. They were therefore totally ignorant of Mr. O'Brien's intentions after the receipt of the Attorney General's Letter. They did not know that he was going again to Halifax, nor, on Tuesday, had they any reliable information that he had gone. They did not know whether he intended to look for other security, such as was suggested to him, but the general impression being that not being able to find satisfactory security, he had given up all idea of the contract, they concluded that such was the case.

The date of Mr. O'Brien's last communication to the Government, was Saturday, the 2nd September. The Attorney General's answer thereto was delivered to Mr. O'Brien, at 2 30 p. m. on Monday, the 4th. Nothing further was heard from Mr. O'Brien until Thursday, the 7th, at 12.45 p. m.

Messrs. McLeod & Co's. Telegram declining the contract was received on Monday forenoon, and no further action was taken by the Government on that day. On Tuesday morning the following Letter was received from Mr. James H Fraser, of New Glasgow, the party making the tender next above Messrs. McLeod & Co.:

New Glasgow, September 4, 1871.

To the Hon. Colonial Secretary of P. E. Island.

Sir,—

I beg to inform you that I decline to enter into any contract to construct the proposed Railway in Prince Edward Island for which I made a tender, and hereby withdraw my tender.

I have, &c.,

JAMES H. FRASER.

On receipt of the above Letter a Telegram was forwarded to Messrs. Rainnie & Co. of St. John, whose tender stood next to Messrs. Fraser & Co.:

Charlottetown, Sept. 5, 1871.

W. Rainnie & Co. St. John, N. B.

Your tender for construction of Railroad from Alberton to Georgetown will be accepted, provided you furnish, without delay, satisfactory security and sign contract.

T. H. HAVILAND,
Colonial Secretary.

(Answer by Telegraph)

Replied to on the same day, as follows:

September 5, 1871.

By Telegraph from St. John
To Hon. T. H. Haviland.

Season so far advanced and other engagements, beg leave to withdraw.

W. RAINNIE & Co.

The following Telegram was then sent to Collingwood Shreiber, Esquire, who tendered next above Rainnie & Co.:

Charlottetown, 5th September, 1871.

By Telegraph to Collingwood Shreiber, Esq., C. E. on Inter-colonial Railroad, at Amherst.

Contract for construction of Railroad from Alberton to Georgetown is offered to you at your tender. Are you prepared to give required security and sign contract without delay?

T. H. HAVILAND,
Colonial Secretary.

(Answer by Telegraph)

The above was answered as follows, on Wednesday, the 6th:

September 6th, 1871.

By Telegraph from Point DuChene to Hon. T. H. Haviland.

Your message received this morning. Shall be over to-day.

COLLINGWOOD SHREIBER.

Mr. Shreiber arrived on Wednesday night, and on Thursday morning wrote the following note to Hon. J. C. Pope:

Charlottetown, 7th September, 1871.

The Hon. J. C. Pope, Provincial Secretary.

My dear Sir,—

I am here to reply to the message of the Honorable Colonial Secretary, which I received yesterday. Will you

be good enough to inform me when I can have an interview with you or the Government.

I am, &c.,

COLLINGWOOD SHREIBER

Thursday was the regular day for the meeting of the Executive Council, Mr. Shreiber's note was at once answered by Mr. Pope, as follows:

Charlottetown, 7th September, 1871.

C. Shreiber, Esq.

Dear Sir,—

In reply to your note of this morning's date, asking me to inform you when you can have an interview with myself or the Government.

I have to state that the Government will have pleasure in meeting you at the Council Chamber, in the Colonial Building, at 12 o'clock to-day.

I have, &c.,

JAMES C. POPE.

Mr. Shreiber was in attendance at the hour named. The Council met, and at a quarter to one the following Telegraph messages were received:

September 7th, 1871.

By Telegraph from Halifax
To Hon. T. H. Haviland, Colonial Secretary.

Am going over to-morrow with Duffus & Co's. letter of guarantee.

W. D. O'BRIEN.

September 7th, 1871.

By Telegraph from Halifax
To Hon. T. H. Haviland.

We have given O'Brien letter of guarantee required by Government.

DUFFUS & Co.

Mr. Shreiber had an interview with the Government, and about 5 o'clock the same evening sent a letter to Hon. J. C. Pope, submitting as securities the names of several Firms doing business in the Dominion of Canada, from which he requested the Government to select.

The Government accepted as security—

Messrs. Daniel and Boyd,
do Jardine & Co.,
do A. F. Randolph & Co., and
do T. R. Jones & Co.

And the following Letter was sent to Mr. Shreiber:

EXECUTIVE COUNCIL,
Prince Edward Island,
September 7th, 1871.

SIR,—

In answer to your communication of this day's date, submitting the list of names of persons from which you authorise the Government to select such as they may deem satisfactory as securities for the performance of the contract for the construction of a Railway through this Island, I have to inform you that the Government will accept the names of—

Daniel and Boyd,
Jardine & Co.,
A. & F. Randolph & Co., and
T. R. Jones & Co.

The necessary documents will be prepared without delay.

I have, &c.,
JAMES C. POPE,
President of Executive Council.

Immediately upon the decision of the Government on the security offered by Mr. Shreiber, before 6 o'clock on Thursday evening, the following Telegram was sent to Mr. O'Brien, in answer to that received from him at 1 o'clock :

Charlottetown, 7th September, 1871.

By Telegraph to W. D. O'Brien, Esq., Halifax.

Before receiving your Telegram to-day, contract was offered to Shreiber, and he has expressed his willingness to [illegible] furnished names of securities. Should contract be completed you will be notified.

T. H. HAVILAND,
Colonial Secretary.

On Friday, the 8th, the contract was prepared ; and at 4 o'clock in the afternoon was signed by the Lieutenant Governor and Mr. Shreiber.

The same afternoon the Colonial Secretary arrived home from Halifax, and Mr. O'Brien also came in the same steamer. The Colonial Secretary brought with him a Letter of guarantee from Duffus & Co., which he had received from Mr. O'Brien, about 4 o'clock that afternoon, on board the steamer *Princess of Wales*, between Pictou and Charlottetown. The Letter is as follows :

Halifax, September 6th, 1871.

Hon. T. Heath Haviland,
Colonial Secretary, Charlottetown, P. E. I.

Sir,—

We beg to inform you that we are prepared to become security to the Government of Prince Edward Island for the sum of £100,000 (one hundred thousand pounds, Island currency) on behalf of W. D. O'Brien, Esqr., on his obtaining the contract to build the P. E. I. Railroad, as per tender already submitted to your Government.

DUFFUS & Co.

The following memorandum is endorsed on the above letter by Mr. Haviland: "Received on board steamer *Princess of Wales*, between Pictou and Charlottetown, from Mr. O'Brien, on Friday afternoon about 4 o'clock, 8th Sept. 1871."

T. H. H.

On Friday evening at 7.30, the Attorney General and Mr. Shreiber left Charlottetown for St. John, in order to have the contractor's bonds perfected by his sureties.

Mr. O'Brien came to Charlottetown on Friday evening, the 8th September; and on Monday afternoon, the 11th, about 2.30 he delivered the following Letter at the Colonial Secretary's Office:

Charlottetown, 11th Sept., 1871.

Sir,—

My Telegram of Thursday, the 7th inst., as well as Messrs. Duffus & Co's. Telegram and Letter of the same date having apprised you of my compliance with the terms and conditions embraced in Mr. Attorney General Brecken's Letter of the 5th inst., it only now remains for me to furnish you with the full names of my sureties, which are as follow:

James B. Duffus, Halifax, N. S., Merchant,
John Duffus, do do
William Duffus, do do

I have now to request that you will please, without delay, cause to be prepared the necessary bonds, and name the time and place for their execution, to enable me to procure the personal attendance of my sureties for this purpose. With regard to your Telegram to me, dated at Charlottetown, the 7th inst., announcing that the Railway contract was offered to Mr. Shreiber, I consider that no contract could be concluded with him or any other person pending the proposal made by the Government to me.

I have, &c.,

W. D. O'BRIEN.

The Hon. T. H. Haviland,
Colonial Secretary, Prince Edward Island.

To the foregoing the following answer was made and transmitted by Messenger to Boyer House, Mr. O'Brien's lodgings, about noon on Tuesday, the 12th. It was, however returned, as Mr. O'Brien had left for Halifax by the morning's steamer. It was then mailed for Halifax, by Mr. Haviland on the same day, at a quarter to two o'clock, p. m., after altering the address on the envelope:

Colonial Secretary's Office,
12th September, 1871.

Sir,—

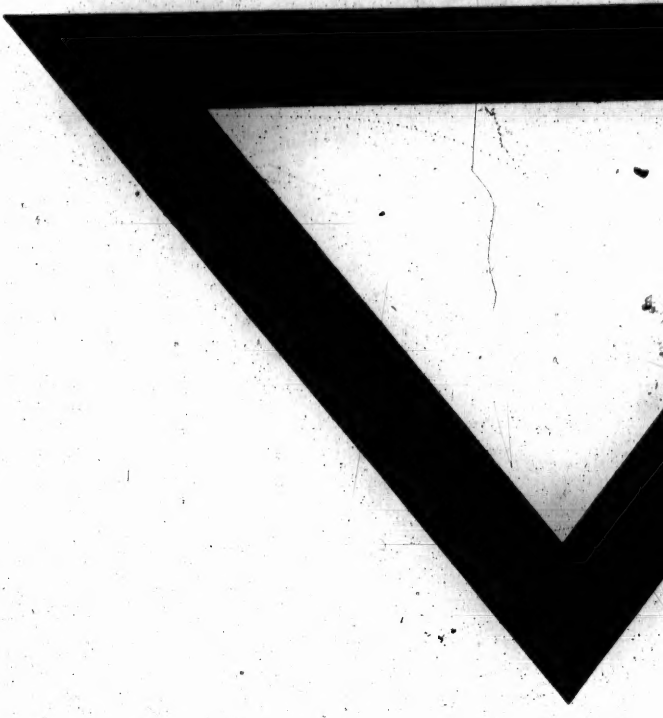
I have to acknowledge the receipt of your communication of 11th inst., and in reply thereto beg to refer you to the Telegram sent to you on the 7th instant, as follows:

"Before receiving your Telegram to-day, contract was offered to Shreiber, and he has expressed his willingness to accept, and furnished names of securities. Should contract not be completed you will be notified."

"T. H. HAVILAND, Col. Secretary."

I may, however, inform you that the contract for the construction of the Railroad has been signed by Mr. Shreiber, and the bonds have been forwarded to New Brunswick for execution by his sureties.

I have, &c.,
T. HEATH HAVILAND, Col. Secretary.

W. D. O'Brien, Esq.

Certified,
WILLIAM C. DESBRISAY,
Assistant Clerk Ex. Council.